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OPEN MEETING AGENDA ITEM

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2014 DEC 10 A 10:57

- BOB STUMP - Chairman
- GARY PIERCE
- BRENDA BURNS
- BOB BURNS
- SUSAN BITTER SMITH

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission

DOCKETED

DEC 10 2014

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DISTRICT AND ITS SUN CITY WEST WASTEWATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. SW-01303A-09-0343

In response to Commissioner Brenda Burn's query on sentiments relating to the Settlement Agreement, as the official Intervenor for the Property Owners & Residents' Association of Sun City West, I offer the following commentary.

DOCKET NO. W-01303A-09-0343 ET AL.

1 QUESTION # 1. I favored reversal of separation of Anthem from the
2 Agua Fria District inasmuch as it stripped that district of nearly
3 60% of its customer base and seriously impaired their rate problem.
4 Opposed further deconsolidation of that district as it would exacer-
5 bate the Agua Fria rate problem. Fundamentally favor a more comprehen-
6 sive examination of Agua Fria high rate problem and the likelihood
7 of exploring more options.

8 QUESTION # 2. No, nor should it, for the Settlement Agreement con-
9 stitutes an opportunity for a fresh start to look at the 6 questions
10 raised by the 3 Legislators of District # 22 on February 25,2014,
11 which provided the genesis for this entire process, and ironically
12 thus far has been totally ignored. Further, we will be exposed to
13 current fiscal data, which revenue is at least \$7 million greater,
14 and involved over 2,500 more customers,plus other options beyond the
15 the narrow focus of the current process which is stuck on the single
16 screen of EPCOR's discriminating rate hike consolidation plan. It is
17 unfortunate that Commissioners' Staff on July 30,2014,advanced in
18 documented material on page 8, item # 25-C, Consolidation as a pre-
19 scriptive remedy for the high rate problem in the Agua Fria district
20 when the malady hasn't even been explored-let alone diagnosed, and
21 parenthetically speaking-the patient is still sitting in the waiting
22 room awaiting examination. Further, such action defies precedent when
23 previous Commissioners within the last five years have twice rejected
24 Consolidation as an anathema to selective rate making that recognizes
25 the inherent differences in cost among separate districts and gives
26 rise to the fundamental purpose and role of the Commissioners.

27 QUESTION # 3.Hopefully, it wil fulfill my desire to see an open-minded,
28 analytical and appropriate review of the Agua Fria "high rate" problem

DOCKET NO. W-01303A-09-0343 ET AL.

Continue: Property Owners & Residents' Association

1 This case has been redirected 180' from the presented and defined 6
2 problems in the original presentation last February 25, 2014, and in-
3 stead narrowed in scope to accomodate EPCOR and Staffs' obsession
4 with the alleged and unsubstantiated healing powers of consolidation.
5 Even Staff, in their critique noted that EPCOR had failed to quantify
6 the merits of consolidation.

7 QUESTION # 4. The Settlement Agreement offers the ONLY hope of an
8 objective atmosphere that will examine all potential remedies in the
9 (doctor's kit) for an ailing utility district. Hopefully, the ex-
10 posure will unveil for the Commissioners the reality that the EPCOR
11 Consolidation Plan gains its strength by discriminatorily imposing
12 the cost of services on 70% of the customer base to advantage with
13 subsidies of 39% to 68% for the benefitted 30% of the customer base.
14 It support my position to permit the Commissioners to refocus on the
15 original objections that were brought forth as the genesis for this
16 case and have thus far been totally overlooked or ignored. That
17 would allow the Commissioners to assert their appropriate role.

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